



CABINET (FINANCE) SUB COMMITTEE

***IMMEDIATELY FOLLOWING
CABINET
WEDNESDAY, 16 MAY, 2018***

COUNCIL CHAMBER - PORT TALBOT CIVIC CENTRE

1. To agree the Chairperson for this Meeting
2. Declarations of Interest

Report of the Head of Financial Services

3. Non Domestic Rates - High Street Rates Relief Wales 2018-19
(Pages 3 - 10)
4. Any urgent items (whether public or exempt) at the discretion of the Chairperson pursuant to Statutory Instrument 2001 No.2290 (as amended)

**S.Phillips
Chief Executive**

**Civic Centre
Port Talbot**

9 May, 2018

Cabinet (Finance) Sub Committee Members:

Cllrs. C.Clement-Williams and D.Jones

Neath Port Talbot County Borough Council

Cabinet (Finance) Sub Committee

16th May 2018

Report of the Head of Financial Services – David Rees

Matter for decision

Wards Affected:

All

Non domestic Rates -High Street Rates Relief Wales 2018-19

Purpose of report

1. To outline and adopt a new discretionary rates relief scheme known as High Street Rates Relief Wales 2018-19.

Background

2. The Cabinet Secretary for Finance has agreed to provide grant funding to the 22 Unitary Authorities to continue the High Street Rates Relief Scheme to eligible rate payers for 2018/19.

The scheme aims to provide support for eligible high street retail businesses by offering up to £250 discount on Tier 1 eligible properties and up to £750 on Tier 2 eligible properties within the borough. (Criteria for eligible properties detailed in point 3)

Each Authority must adopt the HSRR Scheme and decide in each individual case when to grant relief under Section 47 of The Local Government Finance Act 1988. Business Rates relief provided in this scheme is then reimbursed via a grant to each Local Authority.

Qualifying Criteria

3. Properties that will benefit from this relief will be occupied high street properties that are used for the sale of goods, services, food and/or

drink to visiting members of the public, with a rateable value of £50,000 or less on the 1st April 2018.

It is intended for the purpose of this scheme, high street properties such as “shop, restaurants, cafes and drinking establishments” will mean-

Hereditaments that are being used for the sale of goods to visiting members of the public

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets etc)
- Opticians
- Pharmacies
- Post Offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol Stations
- Garden centres
- Art Galleries (where art is for sale/hire)

Hereditaments that are being used for the provision of the following services to visiting members of the public

- Hair and beauty services
- Shoe repair / key cutting
- Travel agents
- Ticket offices (e.g. for theatre)
- Dry cleaners
- Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing

- DVD/Video rentals
- Tool hire
- Car hire
- Cinemas
- Estate / letting agents

Hereditaments that are being used for the sale of food and/or drink to visiting members of the public

- Restaurants
- Drive through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafes
- Coffee shops
- Pubs
- Wine Bars

To qualify for the relief a hereditament listed above should be wholly or mainly used as a shop, restaurant, café or drinking establishment. This is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The list set out above is not intended to be exhaustive as it would be impossible to list all the many and varied high street retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the type of uses that Welsh Government considers for this purpose to be high street and retail.

In compliance with Welsh Government guidance, the Council will deem that the types of uses below (or those similar in use) are not considered to be High Street Retail use for the purpose of this relief and will not be eligible for the relief.

Hereditaments that are not considered to be eligible for High Street Rates Relief

- Financial Services (banks, pawn brokers, building societies, cash points, ATMs, payday lenders, betting shops, bureaux de change)
- Medical Services (vets, dentists, doctors, osteopaths, chiropractors)
- Professional Services (solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Tourism accommodation (B&Bs, hotel accommodation, caravan parks)
- Sports clubs
- Children play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels / Catteries
- Show homes/marketing suites
- Employment agencies

Eligibility for the relief will be calculated based on the circumstances of the property and ratepayer as at 1st April 2018. Changes to properties which occur after this date will have no impact on eligibility for this relief.

Empty properties that become occupied after the 1st April 2018 will not qualify for the relief. If there is a change in occupier part way through the year, after relief has been awarded, the new occupier will not qualify for relief.

Amount of relief to be granted.

4. Tier 1- lower level support, £250 (or the total remaining liability if this is less than £250)

Eligible rate payers will be high street retailers whose properties have a rateable value of between £6,001 and £12,000 for the financial year 2018/19 and who meet the following criteria-

- in receipt of small business rates relief on the 1 April 2018
- And/or

-in receipt of transitional relief on the 1 April 2018

There may be a small number of ratepayers whose properties have a rateable value of £12,000 or above who are in receipt of transitional relief. These ratepayers will qualify for Tier 1 relief.

Tier 2 –higher level of support, up to £750.00

Eligible rate payers will be high street retailers whose properties have a rateable value of between £12,001 and £50,000 for the financial year 2018/19 and who meet the following criteria-

-not in receipt of small business rates relief or transitional relief on the 1 April 2018

And

-have an increase in their liability on the 1 April 2017 as a result of the 2017 Revaluation

Should it be determined that the relief and other relevant De Minimis related aid provided under the scheme will exceed the EU threshold of 200,000 euros of De Minimis State Aid, no award will be granted to that property and ratepayer.

Financial Impact

5. The scheme will be fully funded by Welsh Government. The Welsh Government are also awarding an administration grant of £3,834.33 for undertaking this work.

Equality impact assessment

6. There is no requirement for an equality impact assessment in terms of this report.

Workforce impacts

7. There will be additional staff resource time required to review and award the relief on the accounts. This work will be absorbed within the Non Domestic Rates (NDR) Team.

Legal impact

8. There is a potential State Aid consideration in relation to this relief but that will only apply to an undertaking that receive aid over 200,000 euros in a 3 year period (current plus two previous financial years). As such the Welsh Government has prepared some sample paragraphs to be included in a letter to ratepayers about High Street Rates Relief. This information will be forwarded to all multi establishment ratepayers for them to claim this relief. This being relief provided in line with De Minimis State Aid Rules.

Risk management

9. There are potential state aid risks in relation to awarding this relief but this will be mitigated by requesting larger rate payers to claim the relief.

Consultation

10. There is no requirement under the Constitution for external consultation on this item.

Recommendation

11. It is recommended that Members accept the grant funding and adopt the High Street Rates Relief Scheme for 2018/19.

Reason for proposed decision

12. To enable the Business Rates Team to administer the High Street Rates Relief Scheme 2018/19.

Implementation of decision

13. The decision is proposed for immediate implementation.

Appendices

14. None

List of background papers

15. Local Government Finance Act 1988.

Welsh Government Non Domestic High Street Rates Relief Scheme.

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